

# ANALYSIS OF ORIGINAL BILL

## Franchise Tax Board

Author: Liu Analyst: Darrine Distefano Bill Number: AB 2198  
Related Bills: See Legislative History Telephone: 845-6458 Introduced Date: 02-18-2004  
Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** State Agency Reports Shall Be Available In Electronic Format & Shall Specify Internet Web Site Where Reports May Be Downloaded & Telephone Number To Order Physical Copy

### SUMMARY

This bill would require a state agency to submit a report in electronic format and make the report available on the Internet.

### PURPOSE OF THE BILL

According to the author's staff, the purpose of this bill is to provide a cost savings to the state as well as provide easier access to government information.

### EFFECTIVE/OPERATIVE DATE

This bill would be effective and operative January 1, 2005.

### POSITION

Pending.

### ANALYSIS

#### STATE LAW

State law provides that any report required or requested by law to be submitted by a state or local agency to the members of either house of the Legislature generally shall instead be submitted to the Legislative Counsel, the Secretary of the Senate, and the Chief Clerk of the Assembly, unless the reports are required or requested by law to be directed to a committee or other specified entity within the Legislature.

State law requires the head of each state agency to provide a written report of its activities to the Governor every two years. The report cannot be printed without the approval of the Department of General Services.

#### Board Position:

_____ S	_____ NA	_____ NP
_____ SA	_____ O	_____ NAR
_____ N	_____ OUA	<u>  X  </u> PENDING

#### Department Director

#### Date

Gerald H. Goldberg

4/12/04

Under current state law, the Franchise Tax Board (FTB) is required to produce the following five legislatively mandated reports on an annual basis:

- ❖ Summary of Federal Income Tax Changes (submitted to the Legislature),
- ❖ Annual Taxpayers' Bill of Rights Report (submitted to the Legislature),
- ❖ Audit and Collections Activities (submitted to the Legislative Analyst's Office (LAO) and the Legislature),
- ❖ Audit Protest Cases (submitted to LAO, the Legislature, and Department of Finance), and
- ❖ Enterprise Zones (submitted to the Legislature and the Department of Housing and Community Development).

FTB posts the Annual Report, Tax Expenditure Report, Deductible Dividend Report, LLC Report, Operations Report, and Voluntary Contributions Fund Status Report on its website.

### THIS BILL

This bill would require a state agency to distribute a report in the following manner if a resolution or statute does not require a specified recipient to receive a physical copy:

- For a report provided to the Governor, a physical copy would be submitted to the Governor.
- For a report provided to the Legislature, a physical copy would be submitted to the Clerk of the Assembly and the Secretary of the Senate.
- For a report provided to a legislative committee, a physical copy would be submitted to the chairperson and the vice chairperson of the committee.

This bill would require a state agency to have each requested or required report available in electronic format. Also, each state agency would be required to have the report available on an Internet web site where it can be downloaded as well as a telephone number to order a physical copy of the report.

This bill states the Legislature's intent is to reduce the amount of paper use and maximize the use of electronic communication to transmit information from state agencies and departments to the Legislature.

### IMPLEMENTATION CONSIDERATIONS

Implementing this bill would not significantly impact the department's programs and operations.

### **LEGISLATIVE HISTORY**

AB 79 (Dutra, 2003/2004) would limit the number of reports made to the Legislature or Governor by state and local agencies. This bill is currently in the Senate Committee of Governmental Organization.

AB 2482 (Campbell, 2003/2004) would require a state agency to submit reports electronically and submit a physical copy of the report upon request. This bill is currently in the Assembly Business & Professions Committee.

SB 2119 (Hurt, 1997/1998) would have provided that every state agency that is required by the Legislature to prepare and submit a report to the Legislature shall place the report on the Internet and notify the Legislature of the report's availability by electronic mail via the Internet. This bill failed to pass out of the Assembly.

## **OTHER STATES' INFORMATION**

*Florida, Illinois, Massachusetts, Michigan, Minnesota, and New York* laws require most state agencies to submit reports in printed form to the Legislature. It does not appear that these states require reports to be distributed electronically to the Legislature.

## **FISCAL IMPACT**

This bill would not significantly impact the department's costs.

## **ECONOMIC IMPACT**

This bill would not impact the state's income tax revenue.

## **LEGISLATIVE STAFF CONTACT**

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